NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.

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## PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this	
M.C. Williams and wife Lillian V. Williams	
whose addresss is 2303 WOODSON'S TROLL CITIES TEXTS TEXTS TOOLS as Le	eenr
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the	party
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.  1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the follows:	οωίης
described land, hereinafter called leased premises:	
. 141 ACRES OF LAND, MORE OR LESS, BEING LOT(S) 16 , BLOCK 3	
OUT OF THE PELLUCITY ADDITION, AN ADDITION TO THE CITY	OF
TORTH JORTH , TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORD	
IN VOLUME, PAGE	
· · · · · · · · · · · · · · · · · ·	
in the County of Tarrant, State of TEXAS, containing, / / gross acres, more or less (including any interests therein which Lessor may hereafter acquireversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon.	ire by
substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and	other
commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcilland now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash by	eis oi onus
Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the pur of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.	rpose
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of <u>FIVE</u> ( <u>5</u> )years from the date hereof, are as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this leased.	
otherwise maintained in effect pursuant to the provisions hereof.	
3. Royaltles on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocal separated at Lessee's separator facilities, the royalty shall be TWENTY FIVE PERCENT (25) of such production, to be delivered at Lessee's option	ion to
Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such product the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is su	ion ai
prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty sha	ail be
TOWNST-FIVE PER (ENT. ) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and produce severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee	ction shal
have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such	price
then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more we	ils or
the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waitin hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells shall nevertheless be deem	ing or
be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production there from	is no
being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or	in the well:
are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being so	old by
Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cess of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this leas	se.
<ol> <li>All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor's address above</u> or its successors, which</li> </ol>	ı sna
be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the	ie ias
address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to a payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payment	іссер
5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (nereinance called "dry noie") on the is	ease
premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit bound pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it	t sna
nevertheless remain in force if I assee commences operations for reworking an existing well or for drilling an additional well or for differences operations for reworking an existing well or for drilling an additional well or for differences operations for reworking an existing well or for drilling an additional well or for differences operations for reworking an existing well or for drilling an additional well or for differences operations for reworking an existing well or for drilling an additional well or for drilling an existing well and the existing well and th	uctio
on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any	Ullie
operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby, as long thereat the production of oil or gas or other substances covered hereby as long thereat the production of oil or gas or other substances covered hereby as long thereat the production of oil or gas or other substances covered hereby as long thereat the production of oil or gas or other substances covered hereby as long thereat the production of oil or gas or other substances covered hereby as long thereat the production of oil or gas or other substances covered hereby as long there are not only the production of oil or gas or other substances.	U IIIU
there is production in paying quantities from the legged exemples or lands project therewith. After completion of a well capable of producting in paying quantities include	unuc
Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably proder operator would drill drive the same or similar cheaned by the leased gremises or lands pooled therewith, or (b) to prote	ect th
leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no coverage to this exploratory means	or an
additional wells except as expressly provided herein.  6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any	or a
depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necess proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests	,,,,,
horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance or 10%, provided untal larger time that the international provided untal larger time that the purposition of the purposit	urpos
prescribed, "Oll well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas with means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas with means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas with means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas with gas a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas with gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas with gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas-oil ratio of less than 100,000 cubic feet per barrier and gas well with an initial gas well with an initial gas well with an initial gas well with a simple gas well and gas well and gas well and gas well with a simple gas well and gas wel	testin
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent the equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the view equipment in the properties of the gross completion interval in the reservoir exceeds the view equipment in the properties of the gross completion interval in the reservoir exceeds the view equipment in the properties of the gross completion interval in the reservoir exceeds the view equipment in the properties of the gross completion interval in the gross completion interval in the properties of the gross completion interval in the properties of the gross completion interval in the gross completion interval in the gross completion interva	
Production, drilling or reworking operations anywhere on a unit which includes an or any part of the leasest principles and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of the total unit production which is considered and the proportion of th	ich th
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights between and Lessee's limit in order to conform to the well spacing or density or	patter
prescribed or permitted by the governmental authority having jurisdiction, or to conform to any produced accept and effective date of revision. To the extent any portion	af th
making such a revision, Lessee shall file of record a written declaration describing the revised sink of production on which royalties are payable hereunder shall the	reafte
be adjusted accordingly. In the absence of production in paying quantities from a unit, or other hand correlate a cross-conveyance of interests.	
a written declaration describing the unit and stating the date of termination. Profiling needs that he recipition and shutten revalities navable bereunder for any well on an	лу ра
<ol> <li>If Lessor owns less than the full mineral estate in all or any part of the leased premises, the hydrocorporation shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate.</li> </ol>	

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights of chearing the boligations of Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of logress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canais, pipelines, tanks, water wells, disposal wells, hijection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produces store, treat and/or transport production. Lessee may use in such operations, free of cost, any cigs, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the anciliary rights granted herein shall apply (a) to the entire leased premises escribed in Paragraph 1 above, notwithstanding any partial releases or their partial termination of this leases, and (b) or any other lands in which Lessor flow or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn mow on the leased premises or such other lands during crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such prevention or delay, shall be subject to all applicable l

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

e may be executed in counterparts, each of which is deemed an original and all of which only constitute one original DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms

Which Lessee has or may negotiate with any other lessorsion and gas owner	15.	
IN WITNESS WHEREOF, this lease is executed to be effective as of the date fi heirs, devisees, executors, administrators, successors and assigns, whether or no	irst written above, but upon execution shall be binding on the signatory and the sign of this lease has been executed by all parties hereinabove named as Lessor.	
LESSOR (WHETHER ONE OR MORE)		
De Laisin	By: Lillian V. Williams	
By: Pr.C. Willicing	By: Lillian V. Williams	
ACKNOWLEDGMENT		
05 16 V B Q	day of February , 2009,	
KISHA G. PACKER POLIK	KPaaker-Pack.	
Notary Public, State of Taxas My Commission Expires April 16, 2012	Notary/Public, State of <u>TEXCLS</u> Notary's name (printed): Notary's commission expires: Aprilo 15, 800/8	
STATE OF		
COUNTY OF	day of, 2009,	
by:		



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

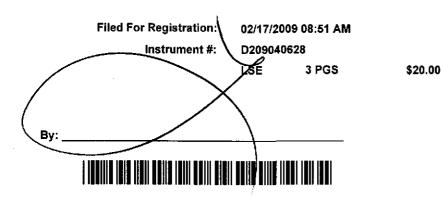
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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